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 Individually and as Trustee of the EDWARD &
 GEORGINA DUGGS LIVING TRUST; ZANE
 DUGGS and GEMMA DUGGS, minors, by
 GEORGINA R. DUGGS, their natural guardian

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Attorneys for Defendant, JAMES EARL EBY.

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO

GEORGINA R. DUGGS, Individually and)	Case No.: 3:14-cv-03734-RS
as Trustee of the EDWARD & GEORGINA)	ORDER
DUGGS LIVING TRUST; ZANE DUGGS and)	STIPULATION TO DISMISS WITH
GEMMA DUGGS, minors, by GEORGINA R. DU)	PREJUDICE FOLLOWING
their natural guardian,)	SETTLEMENT

Plaintiffs,)	Complaint Filed: August 18, 2014
v.)	
JAMES EARL EBY,)	
Defendant.)	

IT IS HEREBY STIPULATED between the parties:

1. Effective, September 3, 2010, MetLife Investors USA Insurance Company (“Metlife”) issued an insurance policy, No. 210 227 420 USU, on the life of Edward L. Duggs, Jr. (“Mr. Duggs”),

1 the husband of Plaintiff GEORGINA DUGGS, with death benefits valued at \$1,500,000 (“the Policy”).

2 2. On January 5, 2013, during the last years of Mr. Duggs’ life, Mr. Duggs entered into a
3 purported transaction in California to sell the Policy to Defendant JAMES EARL EBY (“Defendant”)
4 in the form of a life settlement transaction (“the Life Settlement”).

5 3. On January 25, 2013, pursuant to the Life Settlement, Mr. Duggs executed a purported
6 “Life Insurance Absolute Assignment” form to make Defendant the sole beneficiary of the Policy
7 (hereinafter, the “Change of Beneficiary Form”).

8 4. Mr. Duggs passed away on December 8, 2013.

9 5. On August 18, 2014, Plaintiffs in this matter filed a Complaint against Defendant
10 asserting claims for declaratory relief; statutory fraud and common law fraud; financial abuse of a
11 dependent adult; breach of fiduciary duty; rescission; unfair competition and constructive trust, all
12 related to the Life Settlement and Change of Beneficiary Form.

13 6. As noted by the Court in its rulings dated October 8, 2014 and February 5, 2015, and as
14 now stipulated to by all parties in this action, since the attempted Life Settlement transaction did not
15 abide by the requirements of California Insurance Code sections 10113.1-10113.3, the Life Settlement
16 is deemed void *ab initio* as of the date of the attempted transaction of January 5, 2013. Further, the
17 Change of Beneficiary Form dated January 25, 2013, is invalidated.

18 7. Plaintiffs GEORGINA R. DUGGS, Individually and as Trustee of the EDWARD &
19 GEORGINA DUGGS LIVING TRUST; ZANE DUGGS and GEMMA DUGGS, minors, by
20 GEORGINA R. DUGGS, their natural guardian (“Plaintiffs”), and Defendant reached a tentative
21 settlement agreement on or about March 19, 2015, signed and executed in a written agreement on April
22 14, 2015;

23 7. The parties fully performed their settlement agreement on April 16, 2015.

24 8. Therefore, Plaintiffs and Defendant hereby stipulate that this matter may be dismissed
25 with prejudice, with all parties bearing their own costs and attorney’s fees.

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1 DATED: May 1, 2015

KORNBLUM, COCHRAN,
ERICKSON & HARBISON, LLP

3 /s/ Nicholas J. Peterson

4 Nicholas J. Peterson, #287902
Attorneys for Plaintiffs

5 DATED: May 1, 2015

BEITCHMAN & ZEKIAN, P.C.

6 /s/Andre Boniadi

7 Andre Boniadi, #266412
Attorneys for Defendant

~~[PROPOSED]~~ ORDER

In accordance with this stipulation of the parties, IT IS SO ORDERED that:

1. The attempted Life Settlement transaction between Edward L. Duggs, Jr. and Defendant for the sale of the MetLife Investors USA Insurance Company insurance policy, No. 210 227 420 USU, on the life of Edward L. Duggs, Jr. is deemed ineffective and void *ab initio* from the date of execution of January 5, 2013;

2. The attempted change of beneficiary for the MetLife Policy to Defendant is invalid and ineffective as part and parcel of the void Life Settlement; and

3. This action is dismissed with prejudice. Each party will bear their own attorney's fees and costs.

Dated: 5/4/15


RICHARD SEEBORG
United States District Court Judge